Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 08413 01 OF 02 091846Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 OIC-02 NSCE-00 INRE-00 USIE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03
INR-10 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STR-07 XMB-02
DOE-11 SOE-02 EPA-01 DOEE-00 /124 W
----------037864 091929Z /43
O 091838Z MAR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 8394
USMISSION USNATO
USMISSION GENEVA
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 08413

USOECD

USMTN ALSO FOR USMISSION

USEEC

E.O. 11652: N/A
TAGS: EEWT, ETRD, OECD
SUBJECT: EAST-WEST TRADE: MEETING OF OECD TRADE COMMITTEE WORKING PARTY MARCH 7-8

1. SUMMARY: IN ADDITION TO DEBATE ON ISSUE OF EASTERN RECIPROCITY IN MTN REPORTED SEPTEL, TCWP REVIEWED SECRETARIAT'S STUDY OF E/W TRADE TRENDS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 08413 01 OF 02 091846Z

AND DISCUSSED FUTURE AREAS OF WORK FOR GROUP. ALL DELS AGREED ON HIGH VALUE OF TRENDS REPORT AND THAT IT SHOULD BE UPDATED ANNUALLY. NEXT REVISION WILL EXPAND SECTION ON DEBT PROJECTIONS AND SECRETARIAT IS TO LOOK AT FEASIBILITY OF FOCUSSING ON TRENDS IN KEY PRODUCT SECTORS OF INTEREST. ON FUTURE WORK, THERE WAS CONSIDERABLE INTEREST IN U.S.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

PROPOSAL TO EXAMINE EASTERN EXPORT POTENTIAL AS A MAIN DETERMINANT OF IMPORT CAPACITY. AGENDA FOR NEXT MEETING OF TCWP ON E/W TRADE, SCHEDULED FOR JUNE 27-28, WILL INCLUDE REVISED COUNTERTRADE PAPER, SECRETARIAT COMMENTS ON BALANCE OF ADVANTAGES, FEASIBILITY OF SECTORAL TRADE TRENDS STUDY, AND A MORE DETAILED DISCUSSION OF FUTURE WORK PROPOSALS MADE AT THIS SESSION. END SUMMARY.

2. TRENDS AND OUTLOOK IN EAST-WEST TRADE: TCWP MADE THOROUGH REVIEW OF SECRETARIAT'S REVISED STUDY ON TRENDS AND OUTLOOK IN EAST-WEST TRADE, WHICH ALL FELT WAS AN EXTREMELY VALUABLE PIECE OF WORK. NUMBER OF DELS COMMENTED ON FACTUAL QUESTIONS AND MADE SUGGESTIONS FOR CHANGES IN THE STUDY'S CONTENT AND FORMAT. U.S. DEL QUESTIONED THE SECRETARIAT'S END-1977 EASTERN EUROPEAN HARD CURRENCY DEBT CALCULATIONS ($42 BILLION AS OPPOSED TO USG ESTIMATE OF $48 BILLION) AND ASKED THAT FURTHER VERSIONS OF THE PAPER INCLUDE AN ANNEX ON THE SECRETARIAT'S DEBT ESTIMATION METHODOLOGY. U.S. DEL ALSO SUGGESTED MORE ANALYSIS ON THE 1980 DEBT PROSPECTS SECTION, PARTICULARLY MORE EXPLICIT STATE-MENT OF THE ASSUMPTIONS UNDERLYING THE TRADE PRO-JECTIONS--DRAWING UPON WORK OF OTHER BODIES IN OECD (ENERGY, AGRICULTURE, FINANCIAL MARKETS) WHERE HELPFUL. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

SWISS DEL PROPOSED EXPANDING THE EAST-SOUTH TRADE SECTION, AND ALSO THAT THE GLOBAL EMPHASIS OF THE PAPER BE SHIFTED TO INCLUDE A DISCUSSION OF INDIVIDUAL EAST EUROPEAN COUNTRY TRADE TRENDS, INCLUDING AN ANALYSIS OF THE COMMODITIES (E.G. TEXTILES, CHEMICALS AND PROCESSED FOOD PRODUCTS) INVOLVED. OTHERS WERE UNENTHUSIASTIC ABOUT COUNTRY BREAKDOWNS, BUT IDEA OF FOCUSSING ON CERTAIN PRODUCT SECTORS AROUSED CONSIDERABLE INTEREST. EC DEL DESIRED INCREASED DISCUSSION ON INTER-CEMA TRADE, EVEN A SEPARATE STUDY, BUT AT SWISS SUGGESTION THE CEMA DISCUSSION IN TRENDS PAPER MAY BE EXPANDED.

3. GROUP AGREED NEXT REVISION OF STUDY SHOULD COMPRESS FIRST THREE SECTIONS OF PAPER AND EXPAND FINAL SECTION, WITH ANNEX ON DEBT ESTIMATION PRO-CEDURES AS SUGGESTED BY U.S. NEXT REVIEW WILL TAKE PLACE IN LATE SPRING 1979, TO ENABLE INCLUDING

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 08413 02 OF 02 091849Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 OIC-02 NSCE-00 INRE-00 USIE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03
INR-10 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STR-07 XMB-02
DOE-11 SOE-02 EPA-01 DOEE-00 /124 W
----------037868 091930Z /43
O 091838Z MAR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 8395
USMISSION USNATO
USMISSION GENEVA
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 08413

USOECD

GLOBAL TRADE DATA FOR 1978 AND PRODUCT-BY-PRODUCT
ANALYSIS FOR 1977. STUDY WILL BE UPDATED ON AN
ANNUAL BASIS. WITH REGARD TO INCORPORATING
PRODUCT SECTOR ANALYSIS INTO THE REVISED PAPER,
SECRETARIAT WILL PREPARE A NOTE BY THE NEXT TCWP MEETING
TO DETERMINE THE FEASIBILITY OF A SEPARATE STUDY
ON THIS TOPIC. FINALLY, AFTER NOTING OBJECTIONS
BY THE GERMAN, FINNISH, AND ITALIAN DELS, THE
GROUP DECIDED AGAINST DERESTRICTING THE STUDY,
BUT NOTED THAT (AT NORWEGIAN AND FINNISH SUGGESTION)
MEMBER GOVERNMENTS COULD DISCUSS THE DATA ON A
CONFIDENTIAL BASIS WITH PRIVATE INDUSTRIAL OR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 08413 02 OF 02 091849Z

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

EXPORT LEADERS.

4. FUTURE E/W WORK PROGRAM: AUSTRALIAN DEL SUGGESTED FURTHER WORK ON GENERAL BALANCE OF ADVANTAGES IN EAST-WEST TRADE. SECRETARIAT INDICATED IT HAD NO PLANS TO REVISE ITS SEPTEMBER 1977 REPORT ON THIS SUBJECT, BUT IT WAS AGREED A A PAPER HIGHLIGHTING SOME OF THE PRIORITY THEMES CONTAINED IN THAT STUDY SHOULD BE PREPARED FOR THE NEXT MEETING OF THE WORKING PARTY. ON SUBJECT OF COUNTERTRADE, U.S. DEL NOTED THAT USG HAS RECENTLY LOOKED INTO THE PROBLEMS ASSOCIATED WITH COUNTER-TRADE, AND HAD FOUND EVIDENCE THAT COUNTERTRADE PRACTICES ARE INCREASING AND ARE NOT UNIQUE TO EAST-WEST COMMERCIAL RELATIONS. CITING COUNTERTRADE DEALS BETWEEN FRANCE AND IRAN, FRG AND BRAZIL, AND A RECENT DEAL BETWEEN A U.S. FIRM AND AN IRANIAN OIL EXPORTER, HE SUGGESTED COUNTERTRADE WAS BECOMING MORE COMMON IN WEST-WEST AND NORTH-SOUTH COMMERCIAL RELATIONS, AND THAT A PROLIFERATION OF SUCH PRACTICES COULD RESULT IN A REGRESSION TOWARDS BILATERALISM AND A WEAKENING OF THE MULTILATERAL TRADING FRAMEWORK. U.S. NOTED IT WAS CONSIDERING PROPOSING AN EXPANSION OF OECD WORK IN THIS AREA TO INCLUDE WEST-WEST AND NORTH-SOUTH PRACTICES. RE EASTERN PRICE POLICY, EC COMMISSION
DEL STATED THAT A STUDY OF THIS WOULD BE TECHNICALLY FUTILE DUE TO INSUFFICIENT DATA,AND SUGGESTED THAT IT WOULD BE MORE REALISTIC AND USEFUL FOR THE SECRETARIAT TO UNDERTAKE A STUDY OF EXPORT SUBSIDIES IN THE EAST.

5. U.S. DEL ARGUED THAT AS THE FUTURE GROWTH OF EAST-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 08413 02 OF 02 091849Z

WEST TRADE DEPENDS ON THE ABILITY OF EASTERN COUNTRIES TO SIGNIFICANTLY INCREASE THEIR EXPORTS TO THE WEST, THE SECRETARIAT SHOULD UNDERTAKE A COUNTRY-BY-COUNTRY STUDY OF EASTERN EXPORT POTENTIAL. SUCH A STUDY WOULD SEEK TO IDENTIFY EASTERN PLANT AND EQUIPMENT INVESTMENT ALREADY UNDERTAKEN AND DETERMINE THE EFFECT OF THESE INVESTMENTS ON FUTURE EASTERN EXPORTS TO THE WEST. WHILE U.S. WAS INTERESTED IN A COUNTRY-BY-COUNTRY STUDY SHOWING POTENTIAL EXPORT EARNINGS, THE STUDY COULD ALSO COVER OTHER OECD MEMBERS' INTERESTS IN SPECIFIC SECTORS. U.S. DEL AGREED TO PUT ITS PROPOSAL IN WRITING, SUGGESTING POSSIBLE METHODOLOGIES, AND WOULD BE PREPARED TO DISCUSS IT IN DETAIL AT THE NEXT TCWP MEETING. SEVERAL DELEGATIONS, NOTABLY

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

EC, SWEDEN, SWITZERLAND AND FINLAND, EXPRESSED SUPPORT FOR THE U.S. PROPOSAL, AND INDICATED THEIR WILLINGNESS TO DISCUSS IT AT THE NEXT MEETING.

6. NEXT MEETING OF TCWP ON EAST-WEST TRADE WAS SCHEDULED FOR JUNE 27-28.
SALZMAN

LIMITED OFFICIAL USE

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS08413
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780106-0799
Format: TEL
From: PARIS USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780387/aaaacvzm.tel
Line Count: 231
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 03704cca-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3387042
Secure: OPEN
Status: NATIVE
Subject: EAST-WEST TRADE: MEETING OF OECD TRADE COMMITTEE WORKING PARTY MARCH 7-8
TAGS: EEWT, ETRD, OECD
To: STATE USNATO
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/03704cca-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014